GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:1059
ANSWERED ON:01.03.2001
REDUCTION IN SALES TAX ON PETROL AND DIESEL
BHAWANA GAWALI (PATIL);MINATI SEN;RAM CHANDRA DOME

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Union Government had directed all the State Governments for making suitable reductions in the sales tax on petrol and diesel in September, 2000;

(b) if so, to extent to which the State Governments agreed for cut;

(c) whether some State Governments have raised objections against it; and

(d) if so, the details thereof?

Answer

MINISTER OF STATE FOR PETROLEUM AND NATURAL GAS (SHRI SANTOSH KUMAR GANGWAR)

(a) to (d): Union Minister for Petroleum and Natural Gas has appealed to the Chief Ministers of all the States to consider a pro rata reduction in sales tax on petroleum products so as to neutralize the impact of ad valorem sales tax on the revised prices of petroleum products effective 30-9-2000. The Government of Goa has reduced the sales tax on petrol and diesel by 3% effective 15-11-2000. Some of the State Governments viz. Maharashtra, Karnataka, Punjab and Himachal Pradesh have expressed that lowering of sales tax rates is not desirable.